

## STATEMENT OF CONSIDERATIONS

REQUEST BY ARCHER-DANIELS-MIDLAND COMPANY (ADM) FOR AN  
ADVANCED WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS  
UNDER ITS SUBCONTRACT WITH THE NATIONAL CORN GROWERS  
ASSOCIATION; DOE COOPERATIVE AGREEMENT NO. DE-FC36-  
00GO10596; W(A)-00-029; CH-1045

The Petitioner, Archer-Daniels-Midland Company (ADM), is a subcontractor of the National Corn Growers Association (NCGA), a nonprofit organization, under DOE Cooperative Agreement No. DE-FC36-00GO10596 entitled "Separation of Corn Fiber and Subsequent Conversion of Fuels and Chemicals". The agreement is essentially a teaming arrangement between ADM, NCGA and the Pacific Northwest National Laboratory (PNNL). ADM has requested an advanced waiver of domestic and foreign patent rights for all subject inventions of its employees arising from its work under its subcontract.

The primary objective of the work under the agreement is to develop an economically viable separation and recovery process that allows the conversion of corn fiber into its major components. Each of those components can then be employed as a feedstock to produce both ethanol and polyols (ethylene glycol and propylene glycol). The major process steps to be considered under the agreement include enzyme liquefaction and separation followed by thermochemical and/or enzymatic hydrolysis to produce the feedstock streams. In addition, extraction will be needed to recover the oils which contain triglycerides, tocopherols, and sterols. Subsequent development based on fermentation and aqueous phase catalysis will be undertaken to demonstrate that the overall process can be used to produce both fuels (ethanol) and chemicals (polyols).

The work under the agreement is anticipated to take place over a period of about two years at a total cost of \$2,530,186. ADM and NCGA are cost sharing a total of \$830,186 of which ADM is contributing \$570,000 or the total cost of the work under ADM's subcontract. DOE is contributing \$1,700,000 which is the cost of the work to be done at PNNL.

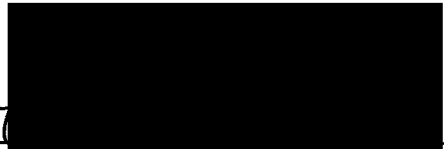
As indicated in its waiver petition ADM is the world's largest processor of grain generally and of corn specifically, and has been in the grain processing business for over 50 years. ADM clearly appears to be committed to the continued development and ultimate commercialization of the technology forming the subject matter of the agreement.

This advance waiver of the Government's rights in inventions is subject to the usual advanced patent waiver and background data licensing provisions. The terms of the advanced waiver include the usual Government license, march-in rights, and preference for U.S. industry provisions set out in 35 U.S.C. 202-204. The advance patent waiver also includes the attached U.S. Competitiveness clause, (paragraph t), which requires products embodying any waived invention or produced through the use of any waived invention be manufactured substantially in the United States unless the participant can show to the satisfaction of DOE that it is not commercially feasible to do so. The Contractor further agrees to make the above condition binding on any assignee or licensee or any entity otherwise acquiring rights to any waived invention, including subsequent assignees of licensees. Should the Contractor or other such

entity receiving rights in any waived invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by DOE

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. The corn processing and fermentation business is currently very competitive, and any patent protection would in all likelihood be directed to narrow niche markets, or in the event of broader patent protection, ADM has indicated it would license subject inventions to the industry on reasonable terms and conditions.

Considering the foregoing, it is believed that granting this waiver will provide the Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the subcontract in a fashion which will make the technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR Part 784, all of which have been considered, it is recommended that the waiver be granted.


  
Thomas G. Anderson  
Assistant Chief  
Office of Intellectual Property Law

Date

4/4/01


Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver will not apply to any modification or extension of the subcontract, where through such modification or extension, the purpose, scope or cost of the subcontract has been substantially altered.

CONCURRENCE:

  
John E. Ferrell, Director  
Offices of Fuel Development  
EE-31

Date: April 25, 2001

APPROVAL:

  
Paul A. Gottlieb  
Assistant General Counsel for Technology  
Transfer and Intellectual Property

Date:

5-1-01

(t) U. S. Competitiveness

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States unless the Contractor can show to the satisfaction of the DOE that it is not commercially feasible to do so. In the event the DOE agrees to foreign manufacture, there will be a requirement that the Government's support of the technology be recognized in some appropriate manner, e.g., recoupment of the Government's investment, etc. The Contractor agrees that it will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Should the Contractor or other such entity receiving rights in the invention undergo a change in ownership amounting to a controlling interest, then the waiver, assignment, license, or other transfer of rights in the waived invention is suspended until approved in writing by the DOE.

(End of clause)